

HONORABLE ROBERT S. LASNIK

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

RAJESH NAHAR and THIRUKUMARAN
VELAYUDHAN, Derivatively on Behalf of
Nominal Defendant, CTI BIOPHARMA
CORP.,

Plaintiff,

v.

JAMES A. BIANCO, LOUIS A. BIANCO,
BRUCE J. SEELEY, JACK W. SINGER,
PHILLIP M. NUDELMAN, JOHN H.
BAUER, KAREN IGNAGNI, RICHARD L.
LOVE, MARY O. MUNDINGER,
FREDERICK W. TELLING and REED V.
TUCKSON,

Defendants,

and

CTI BIOPHARMA CORP.,

Nominal Defendant

JAMES T. HILL, Derivatively on Behalf of
Nominal Defendant, CTI BIOPHARMA
CORP.,

Plaintiff,

v.

JAMES A. BIANCO, LOUIS A. BIANCO,

No. 2:16-cv-00756 (RSL)

STIPULATED MOTION AND
PROPOSED ORDER TO CONSOLIDATE
RELATED CASES AND APPOINT LEAD
COUNSEL

NOTE ON MOTION CALENDAR:
NOVEMBER 4, 2016

No. 2:16-cv-01250 (RSL)

STIPULATED MOTION AND PROPOSED ORDER TO CONSOLIDATE AND APPOINT LEAD COUNSEL
[CASE Nos. 2:16-cv-00756 / 2:16-cv-01250] – Page 1

PHILLIP M. NUDELMAN, JOHN H.
BAUER, KAREN IGNAGNI, RICHARD L.
LOVE, MARY O. MUNDINGER,
FREDERICK W. TELLING and REED V.
TUCKSON,

Defendants,

and

CTI BIOPHARMA CORP.

Nominal Defendant

IT IS HEREBY STIPULATED by and between Plaintiffs Rajesh Nahar, Thirukumaran Velayudhan and James T. Hill (“Plaintiffs”), Defendants James A. Bianco, Louis A. Bianco, Bruce J. Seeley, Jack W. Singer, Phillip M. Nudelman, John H. Bauer, Karen Ignagni, Richard L. Love, Mary O. Mundinger, Frederick W. Telling, Reed V. Tuckson, and, and Nominal Defendant CTI BioPharma Corp. (“Defendants,” and together with Plaintiffs, the “Parties”), the parties to *Rajesh Nahar, et al v. James A. Bianco, et al.*, No. 2:16-cv-00756 (RSL) and *James T. Hill v. James A. Bianco, et al.*, No. 2:16-cv-01250 (RSL) (the “Actions”), by and through their respective counsel of record and subject to the approval of the Court, in order to facilitate the efficient prosecution of the Actions, as follows: pursuant to LCR 10 and 7(d)(1), Plaintiffs move the Court to enter an order consolidating the Actions under the caption of the first filed case, namely *Rajesh Nahar, et al v. James A. Bianco, et al.*, No. 2:16-cv-00756 (RSL) (“*Nahar Action*”) and to appoint interim lead counsel for the Plaintiffs to assist with the orderly prosecution of the Actions.

I. CONSOLIDATION OF CASES

STIPULATED MOTION AND PROPOSED ORDER TO CONSOLIDATE AND APPOINT LEAD COUNSEL
[CASE Nos. 2:16-cv-00756 / 2:16-cv-01250] – Page 2

1 1. The *Nahar Action* is presently stayed (Dkt. No. 11) pursuant to a prior stipulation
 2 among the Parties to that Action, but the Parties now hereby stipulate that the stay should be
 3 temporarily lifted to allow for the procedural relief set forth herein.

4 2. The Parties have met and conferred pursuant to LCR 42 and agree pursuant to
 5 LCR 42(b) that the Actions are shareholder derivative actions that involve common questions of
 6 law or fact, and that the Parties should stipulate to the consolidation of the Actions to avoid
 7 unnecessary costs or delay and to assure consistent rulings and decisions. Therefore, pursuant to
 8 LCR 42 and Federal Rule of Civil Procedure 42, the Parties agree that the Actions should be
 9 consolidated for all purposes as set forth herein. Hereinafter, papers need only be filed in the
 10 Consolidated Action, as set forth below. This Order shall govern and control the procedure for
 11 the litigation of each of the Actions and all related shareholder derivative cases that may be filed
 12 in or transferred to this Court.

13 3. The Parties agree that the files of the Actions shall be maintained by the clerk in
 14 the *Rajesh Nahar, et al v. James A. Bianco, et al.*, No. 2:16-cv-00756 action (the “Consolidated
 15 Action”). Every pleading filed in the Actions shall bear the following caption:
 16
 17

18
 19
 20 In re CTI BIOPHARMA SHAREHOLDER
 DERIVATIVE ACTION

NO. 2:16-CV-00756 (RSL)

Consolidated with No. 2:16-CV-01250 (RSL)

21 4. Defendants agree that their counsel shall be deemed to have accepted service of
 22 the complaint in each of the Actions as of the date of this stipulation. Defendants reserve all
 23 defenses and objections except as to sufficiency of service.
 24
 25
 26

STIPULATED MOTION AND PROPOSED ORDER TO CONSOLIDATE AND APPOINT LEAD COUNSEL
 [CASE Nos. 2:16-cv-00756 / 2:16-cv-01250] – Page 3

1 5. Plaintiffs hereby designate the Complaint filed by Plaintiff Hill in the action
 2 *James T. Hill v. James A. Bianco, et al.*, No. 2:16-cv-01250 (RSL) as the current operative
 3 complaint in the Consolidated Action.

4 **II. ORGANIZATION OF PLAINTIFFS AND PLAINTIFFS' COUNSEL**

5 6. Counsel for the Plaintiffs hereby agree that Faruqi & Faruqi, LLP and Gainey
 6 McKenna & Egleston shall serve as Co-Lead Counsel and Terrell Marshall Law Group and Lee
 7 & Lee, PS as Co-Liaison Counsel for Plaintiffs in the Consolidated Action and all other related
 8 actions that have been filed in or transferred to this court. Defendants take no position on the
 9 Plaintiffs' internal organization of the Actions.
 10

11 7. The Parties agree that Defendants' counsel may rely upon all agreements made
 12 with Co-Lead Counsel for Plaintiffs, or other duly authorized representative of Co-Lead Counsel
 13 for Plaintiffs, and such agreements shall be binding on all Plaintiffs.
 14

15 8. The Parties agree that Co-Lead Counsel for Plaintiffs shall have authority to speak
 16 for Plaintiffs in matters regarding pre-trial procedure, trial, and settlement negotiations, and shall
 17 make all work assignments in such manner as to facilitate the orderly and efficient prosecution of
 18 this litigation and to avoid duplication or unproductive effort.
 19

20 9. The Parties agree that Co-Lead Counsel for Plaintiffs shall be responsible for
 21 coordinating all activities and appearances on behalf of Plaintiffs and for the dissemination of
 22 notices and orders of this court. No motion, request for discovery, or other pre-trial or trial
 23 proceedings shall be initiated or filed by any Plaintiffs except at the behest of Co-Lead Counsel
 24 for Plaintiffs.
 25

1 10. The Parties agree that the responsibility of Co-Lead Counsel for Plaintiffs will
 2 include controlling and overseeing the prosecution of the Consolidated Action and other related
 3 actions. Co-Lead Counsel for Plaintiffs shall have the responsibility for:

4 a. Determining the position of the Plaintiffs on matters arising during the
 5 pre-trial proceedings, and presenting such positions to the Court and opposing parties in
 6 pleadings, briefs, oral arguments, or in such other fashion as may be appropriate, and
 7 allocating work in that regard while achieving efficiency and avoiding duplication;

8 b. Coordinating the litigation and conducting discovery on behalf of the
 9 Plaintiffs, including, *inter alia*, the preparation of joint interrogatories, requests for
 10 production of documents, and examination of witnesses in depositions;

11 c. Initiating or conducting settlement negotiations on behalf of the Plaintiffs,
 12 and entering into settlement agreements on behalf of the Plaintiffs, subject to Court
 13 approval;

14 d. Trial preparation and trial; and

15 e. Consistent with Court orders, allocating any judicially-approved fees and
 16 costs among Lead Counsel and other counsel for Plaintiffs upon resolution of the case.
 17

18 **III. LATER FILED CASES**

19 11. The Parties agree that unless otherwise ordered by the Court, the terms of this
 20 Stipulation, including pre-trial consolidation, shall apply to shareholder derivative actions later
 21 instituted in, or transferred to, this Court that involve similar or related claims, or that are
 22 otherwise deemed related to this Consolidated Action. The Parties agree that when a shareholder
 23 derivative action that properly belongs as part of this Consolidated Action is hereinafter filed in
 24

25 STIPULATED MOTION AND PROPOSED ORDER TO CONSOLIDATE AND APPOINT LEAD COUNSEL
 26 [CASE Nos. 2:16-cv-00756 / 2:16-cv-01250] – Page 5

1 this Court or transferred to this Court, Co-Lead Counsel for Plaintiffs shall serve and file an
 2 endorsed copy of this Order upon attorneys for plaintiff in the newly-filed or transferred action.
 3 The Parties agree that Co-Lead Counsel for Plaintiffs shall also advise the attorneys for any
 4 plaintiff in any such newly-filed or transferred shareholder derivative action that those attorneys
 5 must serve a copy of this Order on any new defendant(s) and file proof of service of this pre-trial
 6 Order with the Court. The Parties agree that any objections to consolidation or application of the
 7 other terms of this Order to the newly filed shareholder derivative case shall be filed with the
 8 Court promptly, with a copy served on Co-Lead Counsel for Plaintiffs and counsel for
 9 Defendants. Unless otherwise ordered by the Court, the Parties agree that the terms of all orders,
 10 rulings, and decisions shall apply to all later related shareholder derivative actions instituted
 11 herein.
 12

13 **IV. TEMPORARY STAY PENDING MOTION TO DISMISS IN THE RELATED** 14 **SECURITIES CLASS ACTION**

15 12. The Parties agree that the Consolidated Action (including all discovery) shall be
 16 stayed until 30 days after the entry of any order(s) denying any part of any motion to dismiss in
 17 the related securities class action pending in the United States District Court for the Western
 18 District of Washington, captioned *IN RE CTI BIOPHARMA CORP. SECURITIES LITIGATION*,
 19 No. C16-cv-00216 (RSL) (“Securities Class Action”), or a final order dismissing the Securities
 20 Class Action with prejudice, as the stay will promote the efficient and orderly administration of
 21 justice by coordinating the Consolidated Action with the Securities Class Action.
 22

23 13. The Parties agree that if the stay of proceedings is lifted, the Parties shall meet
 24 and confer and submit a proposed scheduling order governing further proceedings in the
 25

1 Consolidated Action, including the date by which Defendants must answer or otherwise plead,
2 and the date and time for a case management conference.

3 14. The Parties agree unless otherwise ordered by the Court that all hearings or
4 conferences currently scheduled shall be postponed until the date and time that will be specified
5 in the proposed scheduling order to be submitted by the Parties.
6

7 15. The Parties agree that prior to the production of any documents by Defendants to
8 Plaintiffs, the Parties shall enter into a confidentiality agreement and/or a protective order.

9 16. The Parties shall notify each other of any related derivative lawsuits that they
10 become aware of.

11 17. The Parties agree that if the plaintiff in any related derivative lawsuit refuses to
12 agree to a stay under similar terms, Plaintiffs may lift the agreed stay upon 30-days' notice in
13 writing.
14

15 18. The Parties agree that during the pendency of this stay, Defendants shall include
16 Plaintiffs in any mediation with the plaintiffs in the Securities Class Action and shall include
17 Plaintiffs in any mediation with any purported plaintiff in any related derivative lawsuit or any
18 other related proceeding.

19 19. The Parties agree that notwithstanding this stay of the Consolidated Action,
20 Plaintiffs may file an amended complaint.

21 IT IS SO STIPULATED.
22

23 Dated this 4th day of November, 2016.

Respectfully submitted,

24
25 **TERRELL MARSHALL LAW GROUP**

26 STIPULATED MOTION AND PROPOSED ORDER TO CONSOLIDATE AND APPOINT LEAD COUNSEL
[CASE Nos. 2:16-cv-00756 / 2:16-cv-01250] – Page 7

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Attorneys for Defendants and Nominal Defendant

IT IS SO ORDERED:

Judge Robert S. Lasnik

CERTIFICATE OF SERVICE

I hereby certify that I caused to be served on October 31, 2016, true and correct copies of the foregoing document to the counsel of record listed below, via the method indicated:

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 [CASE Nos. 2:16-cv-00756 / 2:16-cv-01250] – Page 10

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4 DATED: November 4, 2016.

6 /s/ Bethany C. Mito

26 STIPULATED MOTION AND PROPOSED ORDER TO CONSOLIDATE AND APPOINT LEAD COUNSEL
[CASE Nos. 2:16-cv-00756 / 2:16-cv-01250] – Page 11

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